



**MINUTES AND MEMORANDA OF A MEETING
OF
THE BOARD OF DIRECTORS OF
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY**

Held: January 24, 2019

A regular meeting of the Board of Directors of the Indiana Housing and Community Development Authority ("IHCD" or "Authority") was held on Thursday, January 24, 2018 at 10:00 a.m. at 30 South Meridian Street, Suite 900, Indianapolis, Indiana 46204.

The following individuals were present at the meeting: Tracy Barnes (Lieutenant Governor Designee); Ryan Locke (Indiana Treasurer of State designee); Mark Pascarella (Indiana Public Finance Director designee); Board Member, Tom McGowan; J. Jacob Sipe (IHCD Executive Director); members of the staff of the Lieutenant Governor, members of the staff of the Authority, and the general public. Board Members, Jeffrey Whiteside; Andy Place, Sr. and J. June Midkiff, were not in attendance.

Tracy Barnes served as Chair of the meeting, and upon noting the presence of a quorum, called the meeting to order. Shenna Robinson served as Secretary.

I. Approval of Minutes

A. Meeting Minutes

A motion was made by Tom McGowan to approve the December 20, 2018 Meeting Minutes, which was seconded by Ryan Locke. The following Resolution was unanimously approved:

RESOLVED, the Minutes of the Board meeting held on December 20, 2018 are hereby approved to be placed in the Minute Book of the Authority.

II. Real Estate

A. Bond Volume/4% Credits – Ironwood Village Apartments

Chairman Barnes recognized Peter Nelson who presented a Bond Volume/4% Credits – Ironwood Village Apartments.

Background:

IHCD is empowered to act as the housing credit agency for the State to administer, operate, and manage the allocation of the Internal Revenue Service Section 42 low-income housing tax credit ("LIHTC") program. The purpose of the LIHTC is to provide an incentive for private developers and investors to provide more affordable rental housing. This may be accomplished by new construction or rehabilitation of existing structures.

Process

On January 1, 2018, IHCD began the 2018A-B bond round for multi-family bond volume. The 13th application received and reviewed represented a total development cost of \$9,929,020 with \$6,906,232 in bond volume and \$260,853 in LIHTCs annually for 10 years to preserve 128 units of affordable housing (See Development Summary Sheet attached hereto as **Exhibit A**).

Ironwood Village Apartments is a 128-unit garden style apartment community located in Mishawaka, IN. The property was originally built in two phases in 2000-2001, utilizing 9% Low Income Housing Tax Credits. The community consists of 16 two-story residential buildings as well as one community building which houses the leasing office, clubhouse,

laundry and maintenance facilities. The property features a mix of 16 one-bedroom, 64 two-bedroom and 48 three-bedroom units. Residents of the community have immediate access to retail locations, healthcare, and community services all within one mile of the property.

During the round, the Real Estate Department staff reviewed the application to ensure it met the criteria set forth in the 2018-2019 Qualified Allocation Plan. Additionally, on January 15, 2019 the applicant was given an opportunity to present the development to members of the Executive Committee and the Real Estate Department.

Key Performance Indicators

AFFORDABLE HOUSING UNITS CREATED AND/OR PRESEVED IN 2018			
Location	# Affordable Units	Construction Type	Development Type
Newburgh	120	New construction	Affordable assisted living
Lafayette	248	Rehabilitation	Family
Bloomington	102	New construction	Family
Plainfield	131	New construction	Affordable assisted living
Fort Wayne	88	New construction	Affordable assisted living
Fishers	123	New construction	Affordable assisted living
Fort Wayne	119	New construction	Affordable assisted living
Columbus	114	New construction	Affordable assisted living
Total Units:	1045		

Following discussion, a motion was made by Ryan Locke to approve awarding \$6,906,232 in bond volume and \$260,853 in annual LIHTC to EPD Ironwood, LP for Ironwood Village Apartments according to the terms of the 2018A-B Application Round, as recommended by staff. The motion was seconded by Tom McGowan.

RESOLVED, that the Board approve awarding \$6,906,232 in bond volume and \$260,853 in annual LIHTC to EPD Ironwood, LP for Ironwood Village Apartments according to the terms of the 2018A-B Application Round, as recommended by staff.

B. Bond Volume/4% Credits – Lakeshore Manor

Chairman Barnes recognized Peter Nelson who presented a Bond Volume/4% Credits – Lakeshore Manor.

Background:

IHCDA is empowered to act as the housing credit agency for the State to administer, operate, and manage the allocation of the Internal Revenue Service Section 42 low-income housing tax credit (“LIHTC”) program. The purpose of the LIHTC is to provide an incentive for private developers and investors to provide more affordable rental housing. This may be accomplished by new construction or rehabilitation of existing structures.

Process:

On January 1, 2018, IHCDA began the 2018A-B bond round for multi-family bond volume. The 2nd application received and reviewed represented a total development cost of \$40,853,492 with \$22,000,000 in bond volume, \$1,611,119 in LIHTCs annually for 10 years, \$350,092 in Neighborhood Stabilization Program (“NSP”) funds, and a \$500,000 Affordable Housing and Community Development Fund (“Development Fund”) loan to create 206 units of affordable senior housing.

DTM Real Estate Services, LLC and the East Chicago Housing Authority are proposing the new construction of 206 units for seniors who will be displaced by the demolition of the Nicosia Apartment building, a senior public housing tower in East Chicago, Lake County, Indiana (See Development Summary Sheet attached hereto as **Exhibit B**).

Lakeshore Manor will include two adjoining sites in modern block-style apartment buildings in the North Harbor Redevelopment Area of East Chicago. The development will serve the 184 senior households who are currently living in the Nicosia Apartment building. The project will have 206 project-based rental assistance vouchers through the U.S. Department of Housing and Urban Development’s Rental Assistance Demonstration (“RAD”) program.

Lakeshore Manor is within walking distance to several restaurants, a Walgreens Pharmacy, a U.S. Post Office, Callahan and Nunez parks, the Pennsylvania Recreation Center and the Roberto Clemente Recreation Center. There is also a bus stop 0.2 miles from the project site. Furthermore, Lakeshore Manor is less than two miles from the Fresh Country Market, Saint Catherine Hospital, and the Ameristar Casino Hotel.

During the round, the Real Estate Department staff reviewed the application to ensure it met the criteria set forth in the 2018-2019 Qualified Allocation Plan. Additionally, on June 4th, 2018, the applicant was given an opportunity to present the development to members of the Executive Committee and the Real Estate Department.

Key Performance Indicators

2018 AFFORDABLE HOUSING UNITS CREATED AND/OR PRESEVERED			
Location	# Affordable Units	Construction Type	Development Type
Newburgh	120	New construction	Affordable assisted living
Lafayette	248	Rehabilitation	Family
Bloomington	102	New construction	Family
Plainfield	131	New construction	Affordable assisted living
Fort Wayne	88	New construction	Affordable assisted living
Fishers	123	New construction	Affordable assisted living
Fort Wayne	119	New construction	Affordable assisted living
Columbus	114	New construction	Affordable assisted living
Total Units:	1045		

Following discussion, a motion was made by Tom McGowan to approve awarding \$22,000,000 in bond volume, \$1,611,119 in annual LIHTC, \$350,092 in NSP funds, and a Development Fund loan in an amount not to exceed \$500,000 to Lakeshore Manor, LP for Lakeshore Manor in East Chicago according to the terms of the 2018A-B Application Round, as recommended by staff. The motion was seconded by Mark Pascarella.

RESOLVED, that the Board approve awarding \$22,000,000 in bond volume, \$1,611,119 in annual LIHTC, \$350,092 in NSP funds, and a Development Fund loan in an amount not to exceed \$500,000 to Lakeshore Manor, LP for Lakeshore Manor in East Chicago according to the terms of the 2018A-B Application Round, as recommended by staff.

C. Affordable Housing and Community Development Fund Loan - Hilltop Ridge Apartments

Chairman Barnes recognized Jerri Bain who presented the Affordable Housing and Community Development Fund Loan - Hilltop Ridge Apartments.

Background:

IHCDA is empowered to oversee the Indiana Affordable Housing and Community Development Fund ("the Development Fund"). The purpose of the Development Fund is to provide financing options for the creation of safe, decent, and affordable housing and for economic development projects in Indiana communities.

House Investments, its subsidiary HI-Management and the ownership entity of HI Peru Acquisitions, LLC have requested a Development Fund loan in the amount of \$500,000 to rehabilitate two phases of the existing Hilltop Farms (previously known as Farmington Estates) development located in Peru, Miami County, Indiana. This is an existing 96 unit apartment community which was originally built in two phases utilizing RHTC, HOME and AHP funds. The two phases were previously owned by two different entities but have been recently purchased and will operate as one property under HI-Management's leadership.

Phase I currently has no rent restrictions due to the project going through foreclosure under previous ownership and having its affordability restrictions removed. Phase II has 10 HOME-assisted units, and HI is committed to keeping those units

compliant with the HOME affordability period requirements which are in effect until December 31, 2032. Phase I is approximately 70% occupied, and Phase II is approximately 18% occupied. HI will need \$3,250,000 to rehabilitate the exteriors and interiors of the apartment buildings. The financing related to the rehabilitation would consist of a \$2,500,000 loan from Merchants Bank of Indiana, a \$500,000 Development Fund loan from IHCD, and \$250,000 from HI Peru Acquisitions, LLC. HI is applying for the Development Fund Loan in order to complete the rehabilitation and in exchange will subject 16 of the 48 units in Phase I to income and rent restrictions.

House Investments has over 30 years of experience in the affordable housing market and has acted as a tax credit syndicator, limited partner, general partner, and owner. Additionally, through its affiliate HI Management, House Investments has over 23 years of experience in managing day-to-day operations and compliance related to affordable housing program requirements.

Once rehabilitated, the development will provide a total of 70 units of workforce, market rate housing and 26 units of affordable rent-restricted housing. This mixed income community will provide attractive options for the residents of Miami County and will result in quality, safe and affordable housing in the community that will meet HQS standards. Following the renovation, the property will be known as Hilltop Ridge Apartments.

Process:

Development Fund applications are accepted on a rolling basis. The application for the Hilltop Ridge Apartments development was received on December 6, 2018, following a meeting between the developer and IHCD staff.

The application was reviewed by Real Estate Department Staff to ensure it met all threshold and underwriting criteria set forth in the Development Fund Manual.

This Development Fund loan will cause 16 units to become affordable in Peru. The purchase and renovation of this property will take a troubled asset and turn it into a positive asset for the community of Peru.

Key Performance Indicators

During 2018, \$9,421,941 in Development Funds were awarded to 20 projects which will create and/or preserve 717 affordable rental units throughout the State of Indiana.

Following discussion, a motion was made by Tom McGowan to approve a Development Fund loan to HI Peru Acquisitions, LLC in an amount not to exceed \$500,000 for the rehabilitation of Hilltop Ridge Apartments, as recommended by staff. The motion was seconded by Ryan Locke.

RESOLVED, that the Board approve a Development Fund loan to HI Peru Acquisitions, LLC in an amount not to exceed \$500,000 for the rehabilitation of Hilltop Ridge Apartments, as recommended by staff.

III.

Executive

A. Executive Update

Chairman Barnes recognized J. Jacob Sipe, who presented the Executive Update.

1. Key Performance Indicators:

- a. There are Key Performance Indicators (“KPI’s”) in this month’s Board Packet, IHCDCA is trying to develop KPI’s that are meaningful for the Board so it can understand the impact that IHCDCA’s programs are having and metrics for all of its programs.
- b. J. Sipe asked the board to continue to give feedback on what kind of items it would like for IHCDCA to include in the board memos, in terms of tracking KPI’s, that demonstrate success or show opportunities for improvement with these programs. J. Sipe stated that sometimes this can be challenging because multi-family bonds are not competitive and IHCDCA is primarily acting like a financial institution when it comes to issuing those.
- c. J. Sipe asked whether there are other things that the board would like IHCDCA to share at the time that a recommendation is presented to the Board besides leveraging of private dollars and units produced.

2. Federal Government Shutdown:

- a. On January 8, 2019, J. Sipe issued an electronic newsletter that summarized the situation and its impact on IHCDCA and its partners. Currently IHCDCA is able to pay its claims, for rental assistance programs, energy assistance programs, the Home Investment Partnerships Program. IHCDCA is able to draw funds down and make payments. There are no disruptions in the agency currently and it is business as usual.
- b. Two weeks ago, the executives at IHCDCA, M. Rayburn, D. Stewart, J. Sipe, K. Welling, and R. Harcourt, placed calls to IHCDCA’s partners to have a better understanding of the potential impact that’s going on within the industry that is outside of IHCDCA. The executives made over 50 calls in order to continue to solicit feedback on what’s going on in the industry, some of which may directly impact IHCDCA and some of it may not. For example:
 - i. One issue, IHCDCA currently has a couple of bond deals that are stuck; because of environmental or historical reviews, that require some type of approval from HUD or another federal agency; and
 - ii. Also there is some FHA insurance that seems to be stalling at this time.
- c. While the shutdown may not be impacting IHCDCA directly, it is impacting the ability for some of its developments to close on their financing.
- d. If the shutdown extends into February, IHCDCA currently isn’t expecting any type of disruption and is planning to conduct business as normal in February and expects to continue to pay claims.
- e. If the shutdown continues into March, there begins to become some uncertainty as to what may happen. IHCDCA is not clear on some of the things but will continue to monitor the situation.
- f. If we hear more information or confirm facts, IHCDCA will release more information to IHCDCA’s partners about any potential disruption.

3. Point-in-Time Count:

- a. January 23, 2019, was the date of the Point-in-Time count (“PIT Count”) for 91 counties across the State of Indiana, excluding Marion County.
- b. The purpose of the PIT Count is to count the homeless populations and usually volunteers across the state provide outreach to the homeless and conduct the count.
- c. J. Sipe recognized Mikayla Stocks, who is IHCDCA’s PIT Count Analyst for doing a great job helping coordinate the statewide effort, which was 91 different counties, providing some training and making sure it was an effective and smooth process without any disruptions on the PIT Count.
- d. J. Sipe also recognized the following staff from IHCDCA, who helped out with the count and volunteered to meet with some of the homeless and provide outreach:
 - i. Jesseca Chatman;
 - ii. Samantha Alexander-Chenault;
 - iii. Shonda Banner;
 - iv. Zach Gross;
 - v. Ryan Hamlett;
 - vi. Matt Rayburn;
 - vii. Jill Robertson;
 - viii. Greg Stocking;
 - ix. Mikayla Stocks;

- x. Erika Young and
 - xi. Jeff Zongolowicz
- e. Those staff members, along with J. Sipe interviewed the homeless and completed the necessary forms to help with the PIT Count.
- f. J. Sipe stated that he was really proud of IHCD staff, not only for providing technical assistance but actually rolling up their sleeves to make that happen.
- g. IHCD staff travelled across the state, not just in one location but in the central, northern and southern parts of the state.
(Applause was given by the Board and those in attendance)
- 4. **2019 Indiana Permanent Supportive Housing Institute:**
 - a. Last week IHCD announced the 2019 Indiana Permanent Housing Institute ("Institute"). That's where teams go through about a 5 month process to develop permanent supportive housing across our state.
 - b. The intent is to develop housing with wrap around services, specifically targeting the chronic homeless population.
 - c. The Institute has been highly successful and the data continues to show that the homeless population in our state continues to decrease. J. Sipe believes that the grassroots work that is being performed at the Institute is helping to build that capacity at the local level.
 - d. J. Sipe announced the following teams:
 - i. Englewood CDC will focus on veterans, here in Indianapolis;
 - ii. South Bend Heritage Foundation will focus on the chronically homeless, in South Bend;
 - iii. ECHO Housing will focus on the chronically homeless, in Evansville;
 - iv. RealAmerica located in Hendricks County will focus on the chronically homeless, in Danville, and also its mission is more related to domestic violence;
 - v. Mercy Housing, here in Indianapolis, will focus on the chronically homeless; and
 - vi. Woda/Cooper Group, will focus on veterans, here in Indianapolis.
 - e. RealAmerica and Woda/Cooper are both new to the Institute.
 - f. J. Sipe mentioned that he is really proud of those teams for pulling together some great service providers and partnerships to begin to create a pipeline of affordable housing targeting some of our most vulnerable populations.
- 5. **Single Family Bond Pricing:**
 - a. J. Sipe discussed that IHCD is currently pricing the issuance of IHCD's 2019 single family bonds onsite at IHCD.
 - b. IHCD is pricing currently for about \$50 million single family revenue bonds.
 - c. These bonds are being sold at the public auction. Typically staff would travel to New York to price, but thanks to Rich Harcourt and his team, we are able to price here at IHCD with technology.
 - d. J. Sipe announced that Jeffrey Sula, Derek McGreal, and Patrick Zhang, representatives of RBC, IHCD's bankers, are onsite.
 - e. J. Sipe is proud that IHCD is able to conduct the auction at IHCD rather than travel to Manhattan because it saves IHCD money and is more efficient.
 - f. J. Sipe is proud of the team on the single family side for getting the best pricing for IHCD on these single family revenue bonds.
 - g. J. Sipe invited the board members to stop by after the board meeting to meet IHCD's bankers and see what's going on, he compared the screen to a big spreadsheet with the pricing taking place.
- 6. **2019 IHCD Employee of the Year:**
 - a. J. Sipe recognized the 2019 employee of the year, Zaneta Scott and thanked her for everything that she has done as the employee of the year.
(Applause was initiated by the Board)
 - b. J. Sipe read the following statement that one of the employees at IHCD wrote about Zaneta in her recommendation:
 - i. *While I only worked for IHCD a few months before Zaneta came on board, I immediately saw positive changes when she took over her position. I can't tell you how many times I have personally witnessed her take a small (or large) issue and quickly crank out a solution that makes everyone's lives easier. She is constantly thinking on her feet and juggling 6 different balls in the air to keep our agency running smoothly. I think she motivates all of us to be eager to learn and take a genuine interest in the good things our agency produces. It might be easy for someone to come into Zaneta's position and treat it*

as a low-impact, minimal effort job that does not require much creativity. But Zaneta has never once taken that approach. Every day I am thankful that she is part of our crew, and that she pushes each of us to keep growing as an agency.

- c. J. Sipe thanked Zaneta for everything that she has done for IHCD, and stated that she definitely deserves to be IHCD's Employee of the Year. Zaneta responded that it's easy when you love your job and what you do!

7. **February Board Meeting Location:**

J. Sipe announced that the February board meeting will be at IHCD, on February 28th at 10:00a.m.

J. Sipe told the Board that staff is currently finalizing the schedule and the Board meeting will be held on the road three or four times with two of those being in Indianapolis, one in Southern Indiana, and one in Northern Indiana.

8. **Corporation for Supportive Housing Annual Conference:**

J. Sipe told the Board that Indiana will be hosting the Corporation for Supportive Housing Annual Conference this year in April. The conference is being held here because of the work that's being done here in the area of permanent supportive housing. J. Sipe is proud of IHCD's ability to be recognized and attract this type of conference. This is the type of conference where folks from around the country can see and experience some of the work that's being completed in Indianapolis and across the state. This conference will also allow for best practices in this State to be replicated in other states. There should be about 600 people in attendance.

No action is required, as this is an update to the Board
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IV. **Other Business**

There being no further business, a motion was made by Mark Pascarella to adjourn the meeting, which was seconded by Tom McGowan; the motion passed unanimously and the meeting was adjourned at 10:35 a.m.

Respectfully submitted,



Lieutenant Governor, Suzanne Crouch, or her designee

ATTEST:



J. Jacob Sipe
Executive Director for IHCD

Exhibit A



INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY
RENTAL HOUSING TAX CREDIT (RHTC) PROGRAM
PROPOSED DEVELOPMENT SUMMARY
2018A-B Bond Round



PROJECT NAME: Ironwood Village Apartments

SITE LOCATION: 1310 Blossom Drive
Mishawaka, IN 46544

PROJECT TYPE: Rehabilitation
PROJECT DESIGNATION: Multifamily

APPLICANT: EPD Ironwood, LP

PRINCIPALS: Eagle Point Development
Laura Burns
DJ Nelson

OF UNITS AT EACH SET ASIDE

60% of AMI:	128
50% of AMI:	0
40% of AMI:	0
30% of AMI:	0
Market Rate:	0

UNIT MIX

Efficiency:	0
One bedroom:	16
Two bedroom:	64
Three bedroom:	48
Four bedroom:	0
Total units:	128

TOTAL PROJECTED COSTS:	\$9,929,020
TAX CREDITS PER UNIT:	\$2,037.91

CREDIT REQUESTED:	\$260,853
CREDIT RECOMMENDED:	\$260,853
BOND VOLUME REQUESTED:	\$6,906,232
BOND VOLUME RECOMMENDED:	\$6,906,232
DEVELOPMENT FUND REQUESTED:	\$0
DEVELOPMENT FUND RECOMMENDED:	\$0

APPLICANT NUMBER:	2018A-B-013
BIN NUMBER:	IN-18-02700
DEVELOPMENT FUND LOAN NUMBER:	N/A
SELF SCORE:	25
IHCDA SCORE:	44

Exhibit B



INDIANA HOUSING & COMMUNITY DEVELOPMENT AUTHORITY
RENTAL HOUSING TAX CREDIT (RHTC) PROGRAM
PROPOSED DEVELOPMENT SUMMARY
2018A-B Bond Round



PROJECT NAME:	Lakeshore Manor
SITE LOCATION:	3521 Main Street East Chicago, Indiana
PROJECT TYPE:	New Construction
PROJECT DESIGNATION:	Elderly
APPLICANT:	DTM Real Estate Services, LLC
PRINCIPALS:	Lakeshore Manor GP, LLC Ezra B. Burdix

# OF UNITS AT EACH SET ASIDE	
60% of AMI:	196
50% of AMI:	10
40% of AMI:	0
30% of AMI:	0
Market Rate:	0

UNIT MIX	
Efficiency:	0
One bedroom:	199
Two bedroom:	7
Three bedroom:	0
Four bedroom:	0
Total units:	206

TOTAL PROJECTED COSTS:	\$40,853,492.00
TAX CREDITS PER UNIT:	\$7,820.97

CREDIT REQUESTED:	\$1,611,119.00
CREDIT RECOMMENDED:	\$1,611,119.00
BOND VOLUME REQUESTED:	\$22,000,000.00
BOND VOLUME RECOMMENDED:	\$22,000,000.00
DEVELOPMENT FUND REQUESTED:	\$500,000.00
DEVELOPMENT FUND RECOMMENDED:	\$500,000.00
NSP REQUESTED:	\$350,092.00
NSP RECOMMENDED:	\$350,092.00

APPLICANT NUMBER:	2018A-B-002
BIN NUMBER:	IN-18-02600
DEVELOPMENT FUND LOAN NUMBER:	DFL-018-113

NSP AWARD NUMBER:

NSP1-019-001

SELF SCORE:

71.5

IHCDA SCORE:

67.5